

TASC

Technical Assistance and Services Center

Flex Program Hour Highlights

Date: October 10, 2001

Topic: Hospital Performance Improvement

Moderator: Terry Hill, TASC

Guests: Brian Haapala, Stroudwater NHG and Christy Crosser, Mississippi Delta Project

Terry Hill began the call with a statement that although it has not been formally announced, he is the Executive Director of a group that received a HRSA contract to head up the “Mississippi Delta Project,” a hospital performance improvement initiative aimed at small, rural hospitals in eight states in the Mississippi Delta area. HHS Secretary Thompson will make an announcement about the project in the future.

Following is not so much a summary of the Flex Program Hour discussion, as it is a broad overview of the Hospital Performance Improvement concept. Also illustrated is how it may affect not only the rural hospitals in the targeted states, but how it may be an opportunity for rural hospitals in other states as well.

Rural Hospital Performance Improvement – Tools, Education and Support

Problem Statement

Rural hospitals are at the heart of the rural health safety net. Today, small hospitals across America face new and complex challenges to their very survival. These challenges adversely affect financial performance, clinical quality as well as access to needed health care services. As the health care industry has grown increasingly complex, rural hospitals have often failed to acquire needed technical and financial expertise to stay competitive in the new environment.

The technical and intellectual resources exist to help rural hospitals respond to their current difficulties. Various obstacles, however, have frustrated achieving broad access to and gaining real value from these technical resources. These have included:

1. The supply of technical expertise falls far below the rural hospital need;
2. Rural hospitals often have difficulty choosing competent consultants and keeping them accountable;
3. Cost of technical expertise is often prohibitive; and
4. Follow through on consultant recommendations has often been sporadic, with limited progress occurring after the consultant leaves town.

Strategic Response

Process tools, education and technical support are needed to help hospitals address their current challenges. Rather than episodic technical consulting interventions, which have proven costly and too often ineffective, we need to develop a comprehensive rural hospital performance improvement infrastructure that builds state and local technical assistance capacity. Included in this effort would be

developing hospital assessment and performance improvement tools, building a national rural hospital data base of information for benchmarking performance, providing education on how to use the tools and the data, and finally establishing national and state technical support systems to ensure follow through and to help with periodic problem solving. A goal would be to provide rural hospital leadership with affordable access to the same portfolio of expert support services, business tools and technical advice currently available in urban medical centers. The scope of the service support might include:

Economic Performance Improvement: Key elements would include cost accounting, medical practice management, managed care contracting, financial planning (budgeting) and monitoring. After initial assessment, these backroom functions could be supported through Internet shared services arrangements, combining direct technical support with benchmarking and best practice information as well as staff development activities addressing content areas such as coding and managed care contracting.

Quality Improvement: This must first address regulatory and accreditation based compliance standards. It can then evolve into integrating continuous quality improvement methods into routine operational processes, and ultimately linking these efforts to population based health status improvement goals.

Recruitment and Retention: This would include assessing medical and hospital staffing needs, calculating health service and medical specialty viability, and developing both short term and long range strategies for hospital and medical staffing. National and state recruiting resources and databases would provide additional support.

Aligning Organizational Culture: Healthcare organizations are empowered when employees, medical staff, and community board members all understand the basic business model and how key performance elements result in success or failure. Education using experiential learning methods and tools can be applied to realistically simulate these dynamic business processes and provide entire organizations with a common context for achieving long term operational and financial stability.

Strategies to elicit Community Involvement and Support are also necessary to ensure the long-term survival of the rural hospital. While not outlined here, they are crucially important and should be conducted in association with the in-hospital performance improvement process,

Next Steps

The need and opportunity currently exists to begin this rural hospital performance improvement effort. Next steps would include:

1. Develop an initial rural hospital assessment tool as well as other business and quality assessment tools and processes;
2. Field test the tool and processes in selected hospitals;
3. Design educational curriculum to teach the hospital assessment and performance improvement skills to others, (eg staff in State Offices of Rural Health and state hospital associations);
4. Begin the design and development of a national database of rural hospital information that can be used for assessment, planning and benchmarking and support the development of state databases to provide more local information;
5. Develop a national technical support capacity and begin to help build state and local technical support capacity; and
6. Initiate a process, with wide involvement of other appropriate national and state organizations, to build a rural hospital performance improvement infrastructure.

What this means to the Mississippi Delta States (AL, AR, IL, LA, KY, MO, MS, TN)

Terry and his team will be contacting each of the eight Mississippi Delta States with information about the project and determine how to best work with them on this pilot project. They will ask the SORH to provide input about available resources and to recommend how the program should be implemented in their state.

Following are the goals of the project:

1. Develop process and business tools for rural hospital performance improvement;
2. Field test the concept in the 8 states (80 hospitals); and
3. Build local and state capacity for hospital performance improvement. (Local consultants will be needed to help build that capacity.)

What this means to states outside the Mississippi Delta

The impact of the project done in the MS Delta will be felt in other states as well. Terry promised that tools created for the project as well as information and models will be made available to all other states via the project's web site once it is created. Terry predicted that the concept of HPI will eventually be built into TASC's Flex Program assistance to states as this is currently a primary focus of HHS and ORHP.